22-90-1

Department of
Veterans Affairs

Avoiding VA Education Overpayments

VA Pamphlet
22-90-1
May 1990

Veterans Benefits
Administration
Washington, DC 20420

VA 1.19:

READEX FICHE best copy available

AVOIDING EDUCATION OVERPAYMENTS

As a Department of Veterans Affairs (VA) educational benefits recipient, you should understand what you can do to prevent an overpayment.

REPORT CHANGES IN ENROLLMENT

Promptly report any changes in your enrollment to the school *and* VA. If you notify the school, and not VA, it may take longer to correct your payments. The sooner VA is notified, the greater the possibility that an erroneous check can be prevented.

Remember, VA payment for a month of school attendance is normally made during the following month, e.g. the check for attending school in October will normally be received in November. If you receive a check during the month following a change in your enrollment, make sure that you are entitled to the check before negotiating it. If the amount has not changed from the previous check and you have reduced the rate of your training, the chances are good that you are not entitled to this check. You should return the check to VA.

UNDERSTAND THE CONSEQUENCES OF CHANGES

Understand the school's grading system. The school may have "*nonpunitive grades.*" VA defines "nonpunitive grades" as those not used in computing the requirements for graduation. Common examples are as follows:

- An "I" grade for an incomplete course which is not made up during the time period required by the school.
- A "W" grade for withdrawing from a course.
- An "AU" grade for auditing a course.
- Any other grade which the school does not use in computing the GPA (grade point average), or its equivalent.

Check on your school's grading policy with the registrar or the office that handles VA paperwork.

If you receive a nonpunitive grade, reduce, or terminate your enrollment, the school will notify VA. Upon receipt of the notice, VA will reduce or terminate your benefits.

If you change your enrollment after the regular add/drop period at the school, VA will ask you for a statement explaining the events surrounding the change. The law states that no payments will be made for a course from which you withdraw, or for which you receive a nonpunitive grade, unless there are "*mitigating circumstances*" surrounding the change. VA defines

"mitigating circumstances" as unanticipated and unavoidable events which interfere with a student's pursuit of a course.

Examples of events which VA may accept as mitigating are:

- o Prolonged illness or serious injury.
- o Severe illness or death in your immediate family.
- o Unscheduled changes in your employment which are beyond your control.
- o Unanticipated difficulties with child care arrangements made for the purpose of allowing you to go to school.

Examples of events which VA will not accept include:

- o Withdrawal to avoid a failing grade.
- o Dislike of the instructor.
- o Too many courses attempted.

NOTE: You will normally be required to submit evidence to support your statement that the event was not anticipated and was beyond your control. For example, if you state that you had to withdraw from school due to an unscheduled change in your employment, you may be required to furnish a letter from your employer.

If you fail to provide a statement or supporting evidence or the reasons you give are not accepted as "mitigating circumstances," VA will reduce or terminate your benefits from the start of the term. You will be given the opportunity to provide a statement explaining a change in your enrollment before a final decision is made.

REPORT CHANGES IN DEPENDENCY

If you are receiving an additional allowance for dependents, you must promptly report any change in the status of each of your dependents, or in your own dependency status.

Examples of dependency status changes which must be reported include:

- o The death of a dependent.
- o Divorce or separation from a spouse.
- o The termination of custody of an adopted child or stepchild.
- o The marriage of a child.
- o The termination of a child's school attendance (if benefits are being paid for a child, between 18 and 23, who is attending school.)

If you are a survivor or dependent of a veteran and are receiving benefits in your own right (Chapter 35, Title 38 United States Code), you must report any change in your own dependency status.

Examples of your dependency changes which must be reported include:

- Remarriage of a widow(er).
- Divorce from veteran.
- Death of veteran–parent.

IF AN EDUCATION OVERPAYMENT IS CREATED

VA is required to take prompt and aggressive action to recover overpayments. The following are actions that may be taken if an overpayment is not promptly liquidated.

- Adding interest and collection fees to your debt.
- Withholding future benefits to apply to your debt.
- Referring your debt to a private collection agency.
- Offsetting the debt from your federal income tax refund.
- Offsetting the debt from your salary if you are a federal employee.
- Filing a lawsuit in federal court to collect the debt.
- Withholding approval of a VA home loan guarantee pending payment of the debt.

FURTHER INFORMATION

Further information concerning benefits administered by the Department of Veterans Affairs may be obtained by visiting your nearest VA office or by writing the VA regional office serving your state or area.

Consult your local telephone directory under United States Government, Department of Veterans Affairs or Veterans Administration, for the number to call to reach a VA representative. Toll–free telephone service is available in all 50 states.

Distribution: Per VA Form 3–7225
FD (includes VBC, VBAE (IHL/NCE) and AR, 1 each)
EX: ASO, 1 each

*U.S. Government Printing Office: 1990 — 282-804/26948 041513